



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0402/B

JK:kjf

Soon

RM not R

DOA:.....Percy, BB0091 - Claiming tax credits under the community, enterprise, and agricultural development zones

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

in 12-21-04

Do Not Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, a taxpayer may claim income and franchise tax credits based, generally, on the taxpayer's business activities in a location designated by the Department of Commerce as a development zone, opportunity zone, enterprise zone, or agricultural development zone. The taxpayer may claim the credits against the taxes imposed on the income derived from the taxpayer's business activities in the development zone, opportunity zone, enterprise zone, or agricultural development zone. Under this bill, generally, the taxpayer may claim the credits against the taxes imposed on all of the taxpayer's Wisconsin income.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2

SECTION 1. 71.07 (2di) (b) 1. of the statutes is amended to read:

1 71.07 (2di) (b) 1. Except as provided in subd. 2., the credit, including any
2 credits carried over, may be offset only against the amount of the tax otherwise due
3 under this chapter attributable to income from the business operations of the
4 claimant in the development zone; except that a claimant in a development zone
5 under s. 560.795 (1) (e) may offset the credit, including any credits carried over,
6 against the amount of the tax otherwise due under this chapter attributable to all
7 of the claimant's income; and, except for credits claimed in a development zone under
8 s. 560.795 (1) (e), against the tax attributable to income from directly related
9 business operations of the claimant.

10 SECTION 2. 71.07 (2dm) (hm) of the statutes is amended to read:

11 71.07 (2dm) (hm) Credits claimed under this subsection, including any credits
12 carried over, may be offset only against the amount of the tax otherwise due under
13 this subchapter attributable to income from the business operations of the claimant
14 in the development zone; except that a claimant in a development zone under s.
15 560.795 (1) (e) may offset credits, including any credits carried over, against the
16 amount of the tax otherwise due under this subchapter attributable to all of the
17 claimant's income; and, except for credits claimed in a development zone under s.
18 560.795 (1) (e), against the tax attributable to income from directly related business
19 operations of the claimant.

20 SECTION 3. 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

21 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
22 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
23 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
24 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed

INSERT 2-19

1 on the person's income from the person's business activities in a development zone
2 under s. 71.02 the following amounts:

3 **SECTION 4.** 71.28 (1di) (b) 1. of the statutes is amended to read:

4 71.28 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
5 credits carried over, may be offset ~~only~~ against the amount of the tax otherwise due
6 under this chapter attributable to income from the business operations of the
7 claimant in the development zone; except that a claimant in a development zone
8 ~~under s. 560.795 (1) (e) may offset the credit, including any credits carried over,~~
9 ~~against the amount of the tax otherwise due under this chapter attributable to all~~
10 ~~of the claimant's income; and, except for credits claimed in a development zone under~~
11 ~~s. 560.795 (1) (e), against the tax attributable to income from directly related~~
12 ~~business operations of the claimant.~~

13 **SECTION 5.** 71.28 (1dm) (hm) of the statutes is amended to read:

14 71.28 (1dm) (hm) Credits claimed under this subsection, including any credits
15 carried over, may be offset ~~only~~ against the amount of the tax otherwise due under
16 this subchapter attributable to income from the business operations of the claimant
17 ~~in the development zone; except that a claimant in a development zone under s.~~
18 ~~560.795 (1) (e) may offset credits, including any credits carried over, against the~~
19 ~~amount of the tax otherwise due under this subchapter attributable to all of the~~
20 ~~claimant's income; and, except for credits claimed in a development zone under s.~~
21 ~~560.795 (1) (e), against the tax attributable to income from directly related business~~
22 ~~operations of the claimant.~~

23 **SECTION 6.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

24 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
25 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person

INSERT 3-22

1 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
2 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
3 ~~on the person's income from the person's business activities in a development zone~~
4 under s. 71.23 the following amounts:

5 ~~SECTION 7. 71.47 (1di) (b) 1. of the statutes is amended to read:~~

6 71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
7 credits carried over, may be offset ~~only~~ against the amount of the tax otherwise due
8 under this chapter attributable to income from the business operations of the
9 claimant in the development zone; ~~except that a claimant in a development zone~~
10 ~~under s. 560.795 (1) (e) may offset the credit, including any credits carried over,~~
11 ~~against the amount of the tax otherwise due under this chapter attributable to all~~
12 ~~of the claimant's income; and, except for credits claimed in a development zone under~~
13 ~~s. 560.795 (1) (e), against the tax attributable to income from directly related~~
14 ~~business operations of the claimant.~~

15 SECTION 8. 71.47 (1dm) (hm) of the statutes is amended to read:

16 71.47 (1dm) (hm) Credits claimed under this subsection, including any credits
17 carried over, may be offset ~~only~~ against the amount of the tax otherwise due under
18 this subchapter attributable to income from the business operations of the claimant
19 ~~in the development zone; except that a claimant in a development zone under s.~~
20 ~~560.795 (1) (e) may offset credits, including any credits carried over, against the~~
21 ~~amount of the tax otherwise due under this subchapter attributable to all of the~~
22 ~~claimant's income; and, except for credits claimed in a development zone under s.~~
23 ~~560.795 (1) (e), against the tax attributable to income from directly related business~~
24 ~~operations of the claimant.~~

25 SECTION 9. 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

INSERT 4-24

71.47 (1dx) (b) *Credit.* (intro.) Except ~~or~~ as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed ~~on the person's income from the person's business activities in a development zone under s. 71.43~~ the following amounts:

SECTION 9341. Initial applicability; revenue.

(1) CLAIMING DEVELOPMENT ZONE CREDITS. The treatment of sections 71.07 (2di) (b) 1., (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dm) (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dm) (hm), and (1dx) (b) (intro.) of the statutes first applies to taxable years beginning on January 1, 2005.

(END)

Insert 2-19

Section #. 71.07 (2di) (b) 1. of the statutes is amended to read:

all of the claimant's

71.07 (2di) (b) 1. Except as provided in subd. 2., the credit, including any credits carried over,

→ may be offset ~~only~~ against the amount of the tax otherwise due under this chapter attributable to

income from the business operations of the claimant in the development zone; except that a claimant ←

in a development zone under s. 560.795 (1) (e) may offset the credit, including any credits carried

over, against the amount of the tax otherwise due under this chapter attributable to all of the claim-

→ ant's income, and against the tax attributable to income from directly related business operations of the claimant.

History: 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326. 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326.

Insert 2-19

Section #. 71.07 (2dm) (hm) of the statutes is amended to read:

all of the claimant's

71.07 (2dm) (hm) Credits claimed under this subsection, including any credits carried over, may
→ be offset [✓]only against the amount of the tax otherwise due under this subchapter attributable to
income from the ~~business operations of the claimant in the development zone~~ [✓]; except that a claimant ^{+ ← score} ←
in a development zone under s. 560.795 (1) (e) may offset credits, including any credits carried over,
against the amount of the tax otherwise due under this subchapter attributable to all of the claimant's
income; [✓] and against the tax attributable to income from directly related business operations of the
→ claimant.

History: 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326. 1987 a. 312; 1987
a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112,
204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999
a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326.

end of 2-19

Section #. 71.28 (1di) (b) 1. of the statutes is amended to read:

all of the claimant's

71.28 (1di) (b) 1. Except as provided in subd. 2., the credit, including any credits carried over,
→ may be offset ^v ~~only~~ against the amount of the tax otherwise due under this chapter attributable to
income ~~from the business operations of the claimant in the development zone;~~ ^v except that a claimant ^{+ ← score} ←
in a development zone under s. 560.795 (1) (e) may offset the credit, including any credits carried
over, against the amount of the tax otherwise due under this chapter attributable to all of the claim-
→ ant's income ^v, and against the tax attributable to income from directly related business operations of
the claimant.

History: a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16;
2003 a. 72, 99, 135, 255, 267, 326. 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359;
1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997
a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Insert 3-27

Section #. 71.28 (1dm) (hm) of the statutes is amended to read:

all of the claimant's

71.28 (1dm) (hm) Credits c

→ be offset [✓] ~~only~~ against the amo

~~income from the business opera~~

71.28 (1dm) (hm) Credits claimed under this subsection, including any credits carried over, may
 → be offset [✓] ~~only~~ against the amount of the tax otherwise due under this subchapter attributable to
 income ~~from the business operations of the claimant in the development zone,~~ [✓] except that a claimant ^{← sole} ←
 in a development zone under s. 560.795 (1) (e) may offset credits, including any credits carried over,
 against the amount of the tax otherwise due under this subchapter attributable to all of the claimant's
 → income; [✓] and against the tax attributable to income from directly related business operations of the
 claimant.

History: a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326. 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

end of 3-22

Section #. 71.47 (1di) (b) 1. of the statutes is amended to read:

all of the claimant's

71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any credits carried over,
 → may be offset ^v~~only~~ against the amount of the tax otherwise due under this chapter attributable to
 income from ^v~~the business operations of the claimant in the development zone;~~ ^{+ ← score} except that a claimant ←
 in a development zone under s. 560.795 (1) (e) may offset the credit, including any credits carried
 over, against the amount of the tax otherwise due under this chapter attributable to all of the claim-
 → ant's income^v; and against the tax attributable to income from directly related business operations of
 the claimant.

History: . 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417;
 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326. 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359;
 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27,
 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Insert 4-24

Section #. 71.47 (1dm) (hm) of the statutes is amended to read:

all of the claimant's

71.47 (1dm) (hm) Credits claimed under this subsection, including any credits carried over, may
→ be offset [✓] ~~only~~ against the amount of the tax otherwise due under this subchapter attributable to
income ~~from the business operations of the claimant in the development zone;~~ [✓] except that a claimant ^{+ ← see} ←
in a development zone under s. 560.795 (1) (e) may offset credits, including any credits carried over,
against the amount of the tax otherwise due under this subchapter attributable to all of the claimant's
→ income [✓] and against the tax attributable to income from directly related business operations of the
claimant.

History: . 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417;
1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326. 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359;
1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27,
41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

end of 4-24

402/5 only
JK: kjf
VLC

Date

Doug:

Please review this draft carefully to ensure that it is consistent with your intent. By eliminating the initial applicability section, that unused based on claims I believe that any unused credits based on claims made in previous taxable years may be claimed as provided in this draft. Please note, however, that DOR may prefer a different approach to arrive at this result.

JK



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0402/A

JK:kjf:ra

RM MK

DOA:.....Percy, BB0091 - Claiming tax credits under the community, enterprise, and agricultural development zones

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

Don't Gen in 1-26-05
D-N

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, a taxpayer may claim income and franchise tax credits based, generally, on the taxpayer's business activities in a location designated by the Department of Commerce as a development zone, opportunity zone, enterprise zone, or agricultural development zone. The taxpayer may claim the credits against the taxes imposed on the income derived from the taxpayer's business activities in the development zone, opportunity zone, enterprise zone, or agricultural development zone. Under this bill, generally, the taxpayer may claim the credits against the taxes imposed on all of the taxpayer's Wisconsin income.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 71.07 (2di) (b) 1. of the statutes is amended to read:

1 71.07 (2di) (b) 1. Except as provided in subd. 2., the credit, including any
2 credits carried over, may be offset ~~only~~ against the amount of the tax otherwise due
3 under this chapter attributable to all of the claimant's income from the business
4 ~~operations of the claimant in the development zone;~~, except that a claimant in a
5 development zone under s. 560.795 (1) (e) may offset the credit, including any credits
6 carried over, against the amount of the tax otherwise due under this chapter
7 attributable to all of the claimant's income; and against the tax attributable to
8 income from directly related business operations of the claimant.

9 **SECTION 2.** 71.07 (2dm) (hm) of the statutes is amended to read:

10 71.07 (2dm) (hm) Credits claimed under this subsection, including any credits
11 carried over, may be offset ~~only~~ against the amount of the tax otherwise due under
12 this subchapter attributable to all of the claimant's income from the business
13 ~~operations of the claimant in the development zone;~~, except that a claimant in a
14 development zone under s. 560.795 (1) (e) may offset credits, including any credits
15 carried over, against the amount of the tax otherwise due under this subchapter
16 attributable to all of the claimant's income; and against the tax attributable to
17 income from directly related business operations of the claimant.

18 **SECTION 3.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

19 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
20 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
21 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
22 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
23 ~~on the person's income from the person's business activities in a development zone~~
24 under s. 71.02 the following amounts:

25 **SECTION 4.** 71.28 (1di) (b) 1. of the statutes is amended to read:

1 71.28 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
2 credits carried over, may be offset ~~only~~ against the amount of the tax otherwise due
3 under this chapter attributable to all of the claimant's income from the business
4 ~~operations of the claimant in the development zone;~~, except that a claimant in a
5 development zone under s. 560.795 (1) (e) may offset the credit, including any credits
6 carried over, against the amount of the tax otherwise due under this chapter
7 attributable to all of the claimant's income; and against the tax attributable to
8 income from directly related business operations of the claimant.

9 **SECTION 5.** 71.28 (1dm) (hm) of the statutes is amended to read:

10 71.28 (1dm) (hm) Credits claimed under this subsection, including any credits
11 carried over, may be offset ~~only~~ against the amount of the tax otherwise due under
12 this subchapter attributable to all of the claimant's income from the business
13 ~~operations of the claimant in the development zone;~~, except that a claimant in a
14 development zone under s. 560.795 (1) (e) may offset credits, including any credits
15 carried over, against the amount of the tax otherwise due under this subchapter
16 attributable to all of the claimant's income; and against the tax attributable to
17 income from directly related business operations of the claimant.

18 **SECTION 6.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

19 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
20 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
21 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
22 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
23 ~~on the person's income from the person's business activities in a development zone~~
24 under s. 71.23 the following amounts:

25 **SECTION 7.** 71.47 (1di) (b) 1. of the statutes is amended to read:

1 71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
2 credits carried over, may be offset ~~only~~ against the amount of the tax otherwise due
3 under this chapter attributable to all of the claimant's income from the business
4 ~~operations of the claimant in the development zone;~~, except that a claimant in a
5 development zone under s. 560.795 (1) (e) may offset the credit, including any credits
6 carried over, against the amount of the tax otherwise due under this chapter
7 attributable to all of the claimant's income; and against the tax attributable to
8 income from directly related business operations of the claimant.

9 **SECTION 8.** 71.47 (1dm) (hm) of the statutes is amended to read:

10 71.47 (1dm) (hm) Credits claimed under this subsection, including any credits
11 carried over, may be offset ~~only~~ against the amount of the tax otherwise due under
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13 ~~operations of the claimant in the development zone;~~, except that a claimant in a
14 development zone under s. 560.795 (1) (e) may offset credits, including any credits
15 carried over, against the amount of the tax otherwise due under this subchapter
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18 **SECTION 9.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

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23 ~~on the person's income from the person's business activities in a development zone~~
24 under s. 71.43 the following amounts:

25 **SECTION 9341. Initial applicability; revenue.**

1 (1) CLAIMING DEVELOPMENT ZONE CREDITS. The treatment of sections 71.07 (2di)
2 (b) 1., (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dm) (hm), and (1dx) (b)
3 (intro.), and 71.47 (1di) (b) 1., (1dm) (hm), and (1dx) (b) (intro.) of the statutes first
4 applies to taxable years beginning on January 1, 2005.

5 (END)

D-Note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0402/5dn
JK:kjf:jf

January 26, 2005

Doug:

Please review this draft carefully to ensure that it is consistent with your intent. By eliminating the initial applicability section, I believe that any unused credits based on claims made in previous taxable years may be claimed as provided in this draft. Please note, however, that DOR may prefer a different approach to arrive at this result.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-040265 ^b

JK:kjf: ^u

Don & Gen

DOA:.....Percy, BB0091 - Claiming tax credits under the community, enterprise, and agricultural development zones

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

in 1-31-05

Don & Gen

1 AN ACT ...; relating to: the budget.

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5 development zone under s. 560.795 (1) (e) may offset the credit, including any credits
6 carried over, against the amount of the tax otherwise due under this chapter
7 attributable to all of the claimant's income; and against the tax attributable to
8 income from directly related business operations of the claimant.

9 **SECTION 2.** 71.07 (2dm) (hm) of the statutes is amended to read:

10 71.07 (2dm) (hm) Credits claimed under this subsection, including any credits
11 carried over, may be offset ~~only~~ against the amount of the tax otherwise due under
12 this subchapter attributable to all of the claimant's income from the business
13 ~~operations of the claimant in the development zone;~~, except that a claimant in a
14 development zone under s. 560.795 (1) (e) may offset credits, including any credits
15 carried over, against the amount of the tax otherwise due under this subchapter
16 attributable to all of the claimant's income; and against the tax attributable to
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3 under this chapter attributable to all of the claimant's income from the business
4 ~~operations of the claimant in the development zone;~~, except that a claimant in a
5 development zone under s. 560.795 (1) (e) may offset the credit, including any credits
6 carried over, against the amount of the tax otherwise due under this chapter
7 attributable to all of the claimant's income; and against the tax attributable to
8 income from directly related business operations of the claimant.

9 **SECTION 5.** 71.28 (1dm) (hm) of the statutes is amended to read:

10 71.28 (1dm) (hm) Credits claimed under this subsection, including any credits
11 carried over, may be offset ~~only~~ against the amount of the tax otherwise due under
12 this subchapter attributable to all of the claimant's income from the business
13 ~~operations of the claimant in the development zone;~~, except that a claimant in a
14 development zone under s. 560.795 (1) (e) may offset credits, including any credits
15 carried over, against the amount of the tax otherwise due under this subchapter
16 attributable to all of the claimant's income; and against the tax attributable to
17 income from directly related business operations of the claimant.

18 **SECTION 6.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

19 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
20 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
21 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
22 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
23 ~~on the person's income from the person's business activities in a development zone~~
24 under s. 71.23 the following amounts:

25 **SECTION 7.** 71.47 (1di) (b) 1. of the statutes is amended to read:

1 71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any
2 credits carried over, may be offset ~~only~~ against the amount of the tax otherwise due
3 under this chapter attributable to all of the claimant's income from the business
4 ~~operations of the claimant in the development zone;~~, except that a claimant in a
5 development zone under s. 560.795 (1) (e) may offset the credit, including any credits
6 carried over, against the amount of the tax otherwise due under this chapter
7 attributable to all of the claimant's income; and against the tax attributable to
8 income from directly related business operations of the claimant.

9 **SECTION 8.** 71.47 (1dm) (hm) of the statutes is amended to read:

10 71.47 (1dm) (hm) Credits claimed under this subsection, including any credits
11 carried over, may be offset ~~only~~ against the amount of the tax otherwise due under
12 this subchapter attributable to all of the claimant's income from the business
13 ~~operations of the claimant in the development zone;~~, except that a claimant in a
14 development zone under s. 560.795 (1) (e) may offset credits, including any credits
15 carried over, against the amount of the tax otherwise due under this subchapter
16 attributable to all of the claimant's income; and against the tax attributable to
17 income from directly related business operations of the claimant.

18 **SECTION 9.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

19 71.47 (1dx) (b) *Credit.* (intro.) Except ~~or~~ as provided in pars. (be) and (bg) and
20 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
21 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
22 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
23 ~~on the person's income from the person's business activities in a development zone~~
24 under s. 71.43 the following amounts:

25 (END)

INSERT 4-29

Initial Applicability
~~Section 907~~
Section 9341. ~~114~~; revenue ~~114~~ Lurent 4-29

ext. US: appl

→ (#) CLAIMING DEVELOPMENT ZONE CREDITS. The treatment of sections 71.07(2di)(b)l., (2dm)(hm), and (2dx)(b)(intro.), 71.28 (1di)(b)l., (1dm)(hm), and (1dx)(b)(intro.), and 71.47 (1di)(b)l., (1dm)(hm), and (1dx)(b)(intro.) of the statutes first applies to credits claimed for taxable years beginning on January 1, 2005, including unused credits carried forward from prior years to taxable years beginning on January 1, 2005, except that if this subsection takes effect after July 31, the treatment of sections 71.07(2di)(b)l., (2dm)(hm), and (2dx)(b)(intro.), 71.28 (1di)(b)l., (1dm)(hm), and (1dx)(b)(intro.), and 71.47 (1di)(b)l., (1dm)(hm), and (1dx)(b)(intro.) of the statutes first applies to credits claimed for taxable years beginning on January 1 of the year following the year in which this



✓ subsection takes effect, including ^{unused} credits
carried forward from prior years to taxable years
beginning ^{on} January 1 of the year in which ^{this} this
✓ subsection ^{takes} takes effect.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0402/6

JK:kjfrs

RM not R

DOA:.....Percy, BB0091 - Claiming tax credits under the community, enterprise, and agricultural development zones

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

in 1-31-05

don't gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, a taxpayer may claim income and franchise tax credits based, generally, on the taxpayer's business activities in a location designated by the Department of Commerce as a development zone, opportunity zone, enterprise zone, or agricultural development zone. The taxpayer may claim the credits against the taxes imposed on the income derived from the taxpayer's business activities in the development zone, opportunity zone, enterprise zone, or agricultural development zone. Under this bill, generally, the taxpayer may claim the credits against the taxes imposed on all of the taxpayer's Wisconsin income.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 Fix component

SECTION 1. 71.07 (2di) (b) 1. of the statutes is ~~amended to read~~ repealed.

Sec#. 71.07 (2dL)(c) 1.

1 ~~71.07 (2di) (b) 1. Except as provided in subd. 2., the credit, including any~~
 2 ~~credits carried over, may be offset only against the amount of the tax otherwise due~~
 3 ~~under this chapter attributable to all of the claimant's income from the business~~
 4 ~~operations of the claimant in the development zone; except that a claimant in a~~
 5 ~~development zone under s. 560.795 (1) (e) may offset the credit, including any credits~~
 6 ~~carried over, against the amount of the tax otherwise due under this chapter~~
 7 ~~attributable to all of the claimant's income; and against the tax attributable to~~
 8 ~~income from directly related business operations of the claimant.~~

9 SECTION 2. 71.07 (2dm) (hm) of the statutes is amended to read:

10 71.07 (2dm) (hm) ~~Credits claimed~~ ^{a claimant may claim the credit} under this subsection, including any credits
 11 ~~carried over, may be offset only~~ against the amount of the tax otherwise due under
 12 this subchapter attributable to all of the claimant's ^{income} ~~income from the business~~
 13 ~~operations of the claimant in the development zone; except that a claimant in a~~
 14 ~~development zone under s. 560.795 (1) (e) may offset credits, including any credits~~
 15 ~~carried over, against the amount of the tax otherwise due under this subchapter~~
 16 ~~attributable to all of the claimant's income; and against the tax attributable to~~
 17 ~~income from directly related business operations of the claimant.~~

18 SECTION 3. 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

19 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
 20 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
 21 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
 22 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
 23 on the person's income from the person's business activities in a development zone

24 ~~under s. 71.02~~ the following amounts: otherwise due under this chapter

25 SECTION 4. 71.28 (1di) (b) 1. of the statutes is ~~amended to read:~~ ^{repealed.}

Fix
component

Sec #, pg; 71.28 (1dL)(c)1.

71.28 (1di) (b) 1. Except as provided in subd. 2., the credit, including any credits carried over, may be offset only against the amount of the tax otherwise due under this chapter attributable to all of the claimant's income from the business operations of the claimant in the development zone; except that a claimant in a development zone under s. 560.795 (1) (e) may offset the credit, including any credits carried over, against the amount of the tax otherwise due under this chapter attributable to all of the claimant's income; and against the tax attributable to income from directly related business operations of the claimant.

SECTION 5. 71.28 (1dm) (hm) of the statutes is amended to read:

71.28 (1dm) (hm) ~~Credits claimed~~ ^{a claimant may claim the credit} under this subsection, including any credits carried over, ~~may be offset only~~ against the amount of the tax otherwise due under this subchapter attributable to all of the claimant's income from the business operations of the claimant in the development zone; ~~except that a claimant in a development zone under s. 560.795 (1) (e) may offset credits, including any credits carried over, against the amount of the tax otherwise due under this subchapter attributable to all of the claimant's income; and against the tax attributable to income from directly related business operations of the claimant.~~ ^{delete scored comma}

SECTION 6. 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed on the person's income from the person's business activities in a development zone ~~under s. 71.23~~ the following amounts: otherwise due under this chapter

Fix component

SECTION 7. 71.47 (1di) (b) 1. of the statutes is ~~amended to read:~~ ^{repealed.}

Sec #. 71.47 (1d)(c) 1.
np;

71.47 (1di) (b) 1. Except as provided in subd. 2., the credit, including any credits carried over, may be offset only against the amount of the tax otherwise due under this chapter attributable to all of the claimant's income from the business operations of the claimant in the development zone; except that a claimant in a development zone under s. 560.795 (1) (e) may offset the credit, including any credits carried over, against the amount of the tax otherwise due under this chapter attributable to all of the claimant's income; and against the tax attributable to income from directly related business operations of the claimant.

SECTION 8. 71.47 (1dm) (hm) of the statutes is amended to read:

71.47 (1dm) (hm) ~~Credits claimed~~ ^{A claimant may claim the credit} under this subsection, including any credits carried over, ~~may be offset only~~ against the amount of the tax otherwise due under this subchapter ~~attributable to~~ all of the claimant's income from the business operations of the claimant in the development zone; ~~except that a claimant in a development zone under s. 560.795 (1) (c) may offset credits, including any credits carried over, against the amount of the tax otherwise due under this subchapter attributable to all of the claimant's income; and against the tax attributable to income from directly related business operations of the claimant.~~ ^{strike}

SECTION 9. 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

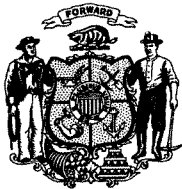
71.47 (1dx) (b) *Credit.* (intro.) Except ~~or~~ ^{as} provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed on the person's income from the person's business activities in a development zone ✓

~~under s. 71.42~~ the following amounts: otherwise due under this chapter

SECTION 9341. Initial applicability; revenue.

(2dl)(c)1., ✓
1 (1) CLAIMING DEVELOPMENT ZONE CREDITS. The treatment of sections 71.07 (2di)
2 (b) 1., (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dl)(c)1., (1dm) (hm), and (1dx) (b)
3 (intro.), and 71.47 (1di) (b) 1., (1dl)(c)1., (1dm) (hm), and (1dx) (b) (intro.) of the statutes first
4 applies to credits claimed for taxable years beginning on January 1, 2005, including
5 unused credits carried forward from prior years to taxable years beginning on
6 January 1, 2005, except that if this subsection takes effect after July 31, the
7 treatment of sections 71.07 (2di) (b) 1., (2dl)(c)1., (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di)
8 (b) 1., (1dl)(c)1., (1dm) (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dl)(c)1., (1dm) (hm), and (1dx)
9 (b) (intro.) of the statutes first applies to credits claimed for taxable years beginning
10 on January 1 of the year following the year in which this subsection takes effect,
11 including unused credits carried forward from prior years to taxable years beginning
12 on January 1 of the year in which this subsection takes effect.

(END)



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0402/7

JK:kjf:pg

+ WJ

RmnotR

DOA:.....Percy, BB0091 - Claiming tax credits under the community, enterprise, and agricultural development zones

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

2-1-05

Today, if possible
please

Do Not Gen

1

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, a taxpayer may claim income and franchise tax credits based, generally, on the taxpayer's business activities in a location designated by the Department of Commerce as a development zone, opportunity zone, enterprise zone, or agricultural development zone. The taxpayer may claim the credits against the taxes imposed on the income derived from the taxpayer's business activities in the development zone, opportunity zone, enterprise zone, or agricultural development zone. Under this bill, generally, the taxpayer may claim the credits against the taxes imposed on all of the taxpayer's Wisconsin income.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 71.07 (2di) (b) 1. of the statutes is repealed.

2

INSERT
1-1

(INSERT 2-1)

1 SECTION 2. 71.07 (2dL) (c) 1. of the statutes is repealed.

2 SECTION 3. 71.07 (2dm) (hm) of the statutes is amended to read:

3 71.07 (2dm) (hm) Credits claimed A claimant may claim the credit under this
4 subsection, including any credits carried over, ~~may be offset only~~ against the amount
5 of the tax otherwise due under this subchapter ~~attributable to income from the~~
6 ~~business operations of the claimant in the development zone; except that a claimant~~
7 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
8 ~~credits carried over, against the amount of the tax otherwise due under this~~
9 ~~subchapter attributable to all of the claimant's income and against the tax~~
10 ~~attributable to income from directly related business operations of the claimant.~~

11 SECTION 4. 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

12 71.07 (2dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
13 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
14 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
15 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
16 ~~on the person's income from the person's business activities in a development zone~~
17 otherwise due under this chapter the following amounts:

18 SECTION 5. 71.28 (1di) (b) 1. of the statutes is repealed.

19 ~~SECTION 6. 71.28 (1dL) (e) 1. of the statutes is repealed.~~

repealed

20 SECTION 7. 71.28 (1dm) (hm) of the statutes is amended to read:

21 71.28 (1dm) (hm) Credits claimed A claimant may claim the credit under this
22 subsection, including any credits carried over, ~~may be offset only~~ against the amount
23 of the tax otherwise due under this subchapter ~~attributable to income from the~~
24 ~~business operations of the claimant in the development zone; except that a claimant~~
25 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~

(INSERT 2-18)

1 ~~credits carried over, against the amount of the tax otherwise due under this~~
2 ~~subchapter attributable to all of the claimant's income and against the tax~~
3 ~~attributable to income from directly related business operations of the claimant.~~

4 **SECTION 8.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

5 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
6 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
7 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
8 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
9 ~~on the person's income from the person's business activities in a development zone~~
10 otherwise due under this chapter the following amounts:

11 **SECTION 9.** 71.47 (1di) (b) 1. of the statutes is repealed.

12 **SECTION 10.** 71.47 (1dL) (c) 1. of the statutes is repealed.

13 **SECTION 11.** 71.47 (1dm) (hm) of the statutes is amended to read:

14 71.47 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
15 subsection, including any credits carried over, ~~may be offset only~~ against the amount
16 of the tax otherwise due under this subchapter ~~attributable to income from the~~
17 ~~business operations of the claimant in the development zone; except that a claimant~~
18 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
19 ~~credits carried over, against the amount of the tax otherwise due under this~~
20 ~~subchapter attributable to all of the claimant's income; and against the tax~~
21 ~~attributable to income from directly related business operations of the claimant.~~

22 **SECTION 12.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

23 71.47 (1dx) (b) *Credit.* (intro.) Except ~~or~~ as provided in pars. (be) and (bg) and
24 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
25 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),

WAS
3-12

560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed on the person's income from the person's business activities in a development zone otherwise due under this chapter the following amounts:

SECTION 9341. Initial applicability; revenue.

(1) CLAIMING DEVELOPMENT ZONE CREDITS. The treatment of sections 71.07 (2di) and 2. and (d) (b) 1., (2dL) (c) 1, (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dL) (c) 1, (1dm) (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dL) (c) 1, (1dm) (hm), and (1dx) (b) (intro.) of the statutes first applies to credits claimed for taxable years beginning on January 1, 2005, including unused credits carried forward from prior years to taxable years beginning on January 1, 2005, except that if this subsection takes effect after July 31, the treatment of sections 71.07 (2di) (b) 1., (2dL) (c) 1, (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dL) (c) 1, (1dm) (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dL) (c) 1, (1dm) (hm), and (1dx) (b) (intro.) of the statutes first applies to credits claimed for taxable years beginning on January 1 of the year following the year in which this subsection takes effect, including unused credits carried forward from prior years to taxable years beginning on January 1 of the year in which this subsection takes effect.

(END)

Amendment 1-1

Section #. 20.835 (2) (cL) of the statutes is amended to read:

20.835 (2) (cL) *Development zones location credit*. A sum sufficient to make the payments under
ss. 71.07 (2dL) (c) ~~20~~^{plain comm.} 71.28 (1dL) (c) ~~20~~⁵ and 71.47 (1dL) (c) ~~20~~^{plain}

History: 1971 c. 125 ss. 192 to 195, 521; 1971 c. 215; 1973 c. 90, 158, 333; 1975 c. 39; 1975 c. 372 s. 41; 1975 c. 424; 1977 c. 29, 31, 313, 418, 447; 1979 c. 34 ss. 637m to 643m, 2102 (46) (d); 1979 c. 221; 1979 c. 329 s. 25 (1); 1979 c. 350 s. 27 (1); 1981 c. 1, 20, 93, 317; 1983 a. 2 ss. 1, 12; 1983 a. 27 ss. 489m, 490m, 2202 (45); 1985 a. 29, 41, 205; 1987 a. 27 ss. 473 to 474r, 476; 1987 a. 92; 1987 a. 312 s. 17; 1987 a. 323, 328, 399, 411, 422; 1989 a. 31 ss. 551 to 557m, 564m; 1989 a. 56 s. 259; 1989 a. 336; 1991 a. 37; 1991 a. 39 ss. 250m, 653m to 659m; 1991 a. 225, 269; 1993 a. 16, 263; 1995 a. 27, 56, 209, 417; 1997 a. 27, 237; 1999 a. 5, 9, 10; 1999 a. 150 s. 672; 1999 a. 167; 2001 a. 16, 105, 109; 2003 a. 31, 33, 320.

(N)2805
2-1

Sec # 71.07(2dL)(c) 2[✓] is renumbered 71.07(2dL)(c) 2[✓]

Section #. 71.07 (2dL) (d) of the statutes is amended to read:

→ 71.07 (2dL) (d) Except as provided in par. (c) ~~2.0~~^{plain} the carry-over provisions of s. 71.28 (4) (e) and (f) as they relate to the credit under s. 71.28 (4) relate to the credit under this subsection and apply as if the development zone continued to exist.

History: 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326. 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326.

INSERT
2-18

sec #. 71.28(1dL)(c) 20 of the statute is renumbered
71.28(1dL)(c) ✓

Section #. 71.28 (1dL) (d) ✓ of the statutes is amended to read:

→ 71.28 (1dL) (d) Except as provided in par. (c) ~~2.~~ ^{plain comma}, the carry-over provisions of sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit under this subsection and apply as if the development zone continued to exist.

History: a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326. 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.

Sec # 71047 (1dL)(c) 20 of the statutes is renumbered 71.47(1dL)(c) ✓

Section #. 71.47 (1dL) (d)[✓] of the statutes is amended to read:

71.47 (1dL) (d) Except as provided in par. (c) ^{plain comma} the carry-over provisions of sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit under this subsection and apply as if the development zone continued to exist.

History: . 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326. 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0402/8

JK:kjf&wlj:z

9
JK:kjf&wlj:z

DOA:.....Percy, BB0091 - Claiming tax credits under the community, enterprise, and agricultural development zones

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

in 2-2-05

Don't Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, a taxpayer may claim income and franchise tax credits based, generally, on the taxpayer's business activities in a location designated by the Department of Commerce as a development zone, opportunity zone, enterprise zone, or agricultural development zone. The taxpayer may claim the credits against the taxes imposed on the income derived from the taxpayer's business activities in the development zone, opportunity zone, enterprise zone, or agricultural development zone. Under this bill, generally, the taxpayer may claim the credits against the taxes imposed on all of the taxpayer's Wisconsin income.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.835 (2) (cL) of the statutes is amended to read:

1 20.835 (2) (cL) *Development zones location credit*. A sum sufficient to make the
2 payments under ss. 71.07 (2dL) (c) 2., 71.28 (1dL) (c) 2., and 71.47 (1dL) (c) 2.

3 **SECTION 2.** 71.07 (2di) (b) 1. of the statutes is repealed.

4 **SECTION 3.** 71.07 (2dL) (c) 1. of the statutes is repealed.

5 **SECTION 4.** 71.07 (2dL) (c) 2. of the statutes is renumbered 71.07 (2dL) (c).

6 **SECTION 5.** 71.07 (2dL) (d) of the statutes is amended to read:

7 71.07 (2dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
8 s. 71.28 (4) (e) and (f) as they relate to the credit under s. 71.28 (4) relate to the credit
9 under this subsection and apply as if the development zone continued to exist.

10 **SECTION 6.** 71.07 (2dm) (hm) of the statutes is amended to read:

11 71.07 (2dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
12 subsection, including any credits carried over, ~~may be offset only~~ against the amount
13 of the tax otherwise due under this subchapter ~~attributable to income from the~~
14 ~~business operations of the claimant in the development zone; except that a claimant~~
15 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
16 ~~credits carried over, against the amount of the tax otherwise due under this~~
17 ~~subchapter attributable to all of the claimant's income and against the tax~~
18 ~~attributable to income from directly related business operations of the claimant.~~

19 **SECTION 7.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

20 71.07 (2dx) (b) *Credit*. (intro.) Except as provided in pars. (be) and (bg) and
21 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
22 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
23 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
24 ~~on the person's income from the person's business activities in a development zone~~
25 otherwise due under this chapter the following amounts:

1 **SECTION 8.** 71.28 (1di) (b) 1. of the statutes is repealed.

2 **SECTION 9.** 71.28 (1dL) (c) 1. of the statutes is repealed.

3 **SECTION 10.** 71.28 (1dL) (c) 2. of the statutes is renumbered 71.28 (1dL) (c).

4 **SECTION 11.** 71.28 (1dL) (d) of the statutes is amended to read:

5 71.28 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
6 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
7 under this subsection and apply as if the development zone continued to exist.

8 **SECTION 12.** 71.28 (1dm) (hm) of the statutes is amended to read:

9 71.28 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
10 subsection, including any credits carried over, ~~may be offset only~~ against the amount
11 of the tax otherwise due under this subchapter ~~attributable to income from the~~
12 ~~business operations of the claimant in the development zone; except that a claimant~~
13 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
14 ~~credits carried over, against the amount of the tax otherwise due under this~~
15 ~~subchapter attributable to all of the claimant's income and against the tax~~
16 ~~attributable to income from directly related business operations of the claimant.~~

17 **SECTION 13.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

18 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
19 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
20 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
21 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
22 ~~on the person's income from the person's business activities in a development zone~~
23 otherwise due under this chapter the following amounts:

24 **SECTION 14.** 71.47 (1di) (b) 1. of the statutes is repealed.

25 **SECTION 15.** 71.47 (1dL) (c) 1. of the statutes is repealed.

1 **SECTION 16.** 71.47 (1dL) (c) 2. of the statutes is renumbered 71.47 (1dL) (c).

2 **SECTION 17.** 71.47 (1dL) (d) of the statutes is amended to read:

3 71.47 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
4 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
5 under this subsection and apply as if the development zone continued to exist.

6 **SECTION 18.** 71.47 (1dm) (hm) of the statutes is amended to read:

7 71.47 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
8 subsection, including any credits carried over, ~~may be offset only~~ against the amount
9 of the tax otherwise due under this subchapter ~~attributable to income from the~~
10 ~~business operations of the claimant in the development zone; except that a claimant~~
11 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
12 ~~credits carried over, against the amount of the tax otherwise due under this~~
13 ~~subchapter attributable to all of the claimant's income; and against the tax~~
14 ~~attributable to income from directly related business operations of the claimant.~~

15 **SECTION 19.** 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

16 71.47 (1dx) (b) *Credit.* (intro.) Except ~~or~~ as provided in pars. (be) and (bg) and
17 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
18 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
19 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
20 ~~on the person's income from the person's business activities in a development zone~~
21 otherwise due under this chapter the following amounts:

22 **SECTION 9341. Initial applicability; revenue.**

23 (1) CLAIMING DEVELOPMENT ZONE CREDITS. The treatment of sections 20.835 (2)
24 (cL), 71.07 (2di) (b) 1., (2dL) (c) 1. and 2. and (d), (2dm) (hm), and (2dx) (b) (intro.),
25 71.28 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm) (hm), and (1dx) (b) (intro.), and

and 2, and (d)

1 71.47 (1di) (b) 1., (1dL) (c) 1., (1dm) (hm), and (1dx) (b) (intro.) of the statutes first
2 applies to credits claimed for taxable years beginning on January 1, 2005, including
3 unused credits carried forward from prior years to taxable years beginning on
4 January 1, 2005, except that if this subsection takes effect after July 31, the
5 treatment of sections 20.835 (2) (cL), 71.07 (2di) (b) 1., (2dL) (c) 1. and 2. and (d),
6 (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm)
7 (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dL) (c) 1., (1dm) (hm), and (1dx) (b) (intro.) of the statutes first applies to credits claimed for taxable years beginning
8 on January 1 of the year following the year in which this subsection takes effect,
9 including unused credits carried forward from prior years to taxable years beginning
10 on January 1 of the year in which this subsection takes effect.
11
12

(END)

SECTION 9341. Initial applicability; revenue.

(1) CLAIMING DEVELOPMENT ZONE CREDITS. The treatment of sections 20.835 (2) (cL), 71.07 (2di) (b) 1., (2dL) (c) 1. and 2. and **I.**, (d), (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), **I.**, (1dm) (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dL) (c) 1., (1dm) (hm), and (1dx) (b) (intro.) of the statutes first applies to credits claimed for taxable years beginning on January 1, 2005, including unused credits carried forward from prior years to taxable years beginning on January 1, 2005, except that if this subsection takes effect after July 31, the treatment of sections 20.835 (2) (cL), 71.07 (2di) (b) 1., (2dL) (c) 1. and 2. and **I.**, (d), (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), **I.**, (1dm) (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dL) (c) 1., (1dm) (hm), and (1dx) (b) (intro.) of the statutes first applies to credits claimed for taxable years beginning on January 1 of the year following the year in which this subsection takes effect, including unused credits carried forward from prior years to taxable years beginning on January 1 of the year in which this subsection takes effect.

(END)



State of Wisconsin
2005 – 2006 LEGISLATURE

LRB-0402/9

JK:kjf&wlj:jf

DOA:.....Percy, BB0091 – Claiming tax credits under the community, enterprise, and agricultural development zones

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, a taxpayer may claim income and franchise tax credits based, generally, on the taxpayer's business activities in a location designated by the Department of Commerce as a development zone, opportunity zone, enterprise zone, or agricultural development zone. The taxpayer may claim the credits against the taxes imposed on the income derived from the taxpayer's business activities in the development zone, opportunity zone, enterprise zone, or agricultural development zone. Under this bill, generally, the taxpayer may claim the credits against the taxes imposed on all of the taxpayer's Wisconsin income.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 **SECTION 1.** 20.835 (2) (cL) of the statutes is amended to read:

1 20.835 (2) (cL) *Development zones location credit*. A sum sufficient to make the
2 payments under ss. 71.07 (2dL) (c) 2., 71.28 (1dL) (c) 2., and 71.47 (1dL) (c) 2.

3 **SECTION 2.** 71.07 (2di) (b) 1. of the statutes is repealed.

4 **SECTION 3.** 71.07 (2dL) (c) 1. of the statutes is repealed.

5 **SECTION 4.** 71.07 (2dL) (c) 2. of the statutes is renumbered 71.07 (2dL) (c).

6 **SECTION 5.** 71.07 (2dL) (d) of the statutes is amended to read:

7 71.07 (2dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
8 s. 71.28 (4) (e) and (f) as they relate to the credit under s. 71.28 (4) relate to the credit
9 under this subsection and apply as if the development zone continued to exist.

10 **SECTION 6.** 71.07 (2dm) (hm) of the statutes is amended to read:

11 71.07 (2dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
12 subsection, including any credits carried over, ~~may be offset only~~ against the amount
13 of the tax otherwise due under this subchapter ~~attributable to income from the~~
14 ~~business operations of the claimant in the development zone; except that a claimant~~
15 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
16 ~~credits carried over, against the amount of the tax otherwise due under this~~
17 ~~subchapter attributable to all of the claimant's income and against the tax~~
18 ~~attributable to income from directly related business operations of the claimant.~~

19 **SECTION 7.** 71.07 (2dx) (b) (intro.) of the statutes is amended to read:

20 71.07 (2dx) (b) *Credit*. (intro.) Except as provided in pars. (be) and (bg) and
21 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
22 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
23 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
24 ~~on the person's income from the person's business activities in a development zone~~
25 otherwise due under this chapter the following amounts:

1 **SECTION 8.** 71.28 (1di) (b) 1. of the statutes is repealed.

2 **SECTION 9.** 71.28 (1dL) (c) 1. of the statutes is repealed.

3 **SECTION 10.** 71.28 (1dL) (c) 2. of the statutes is renumbered 71.28 (1dL) (c).

4 **SECTION 11.** 71.28 (1dL) (d) of the statutes is amended to read:

5 71.28 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of
6 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit
7 under this subsection and apply as if the development zone continued to exist.

8 **SECTION 12.** 71.28 (1dm) (hm) of the statutes is amended to read:

9 71.28 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this
10 subsection, including any credits carried over, ~~may be offset only~~ against the amount
11 of the tax otherwise due under this subchapter ~~attributable to income from the~~
12 ~~business operations of the claimant in the development zone; except that a claimant~~
13 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~
14 ~~credits carried over, against the amount of the tax otherwise due under this~~
15 ~~subchapter attributable to all of the claimant's income and against the tax~~
16 ~~attributable to income from directly related business operations of the claimant.~~

17 **SECTION 13.** 71.28 (1dx) (b) (intro.) of the statutes is amended to read:

18 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and
19 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person
20 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),
21 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed
22 ~~on the person's income from the person's business activities in a development zone~~
23 otherwise due under this chapter the following amounts:

24 **SECTION 14.** 71.47 (1di) (b) 1. of the statutes is repealed.

25 **SECTION 15.** 71.47 (1dL) (c) 1. of the statutes is repealed.

SECTION 16. 71.47 (1dL) (c) 2. of the statutes is renumbered 71.47 (1dL) (c).

SECTION 17. 71.47 (1dL) (d) of the statutes is amended to read:

71.47 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit under this subsection and apply as if the development zone continued to exist.

SECTION 18. 71.47 (1dm) (hm) of the statutes is amended to read:

71.47 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this subsection, including any credits carried over, ~~may be offset only~~ against the amount of the tax otherwise due under this subchapter ~~attributable to income from the business operations of the claimant in the development zone; except that a claimant in a development zone under s. 560.795 (1) (e) may offset credits, including any credits carried over, against the amount of the tax otherwise due under this subchapter attributable to all of the claimant's income; and against the tax attributable to income from directly related business operations of the claimant.~~

SECTION 19. 71.47 (1dx) (b) (intro.) of the statutes is amended to read:

71.47 (1dx) (b) *Credit.* (intro.) Except ~~or~~ as provided in pars. (be) and (bg) and in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3), 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed ~~on the person's income from the person's business activities in a development zone otherwise due under this chapter~~ the following amounts:

SECTION 9341. Initial applicability; revenue.

(1) CLAIMING DEVELOPMENT ZONE CREDITS. The treatment of sections 20.835 (2) (cL), 71.07 (2di) (b) 1., (2dL) (c) 1. and 2. and (d), (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm) (hm), and (1dx) (b) (intro.), and

71.47 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm) (hm), and (1dx) (b) (intro.) of the statutes first applies to credits claimed for taxable years beginning on January 1, 2005, including unused credits carried forward from prior years to taxable years beginning on January 1, 2005, except that if this subsection takes effect after July 31, the treatment of sections 20.835 (2) (cL), 71.07 (2di) (b) 1., (2dL) (c) 1. and 2. and (d), (2dm) (hm), and (2dx) (b) (intro.), 71.28 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm) (hm), and (1dx) (b) (intro.), and 71.47 (1di) (b) 1., (1dL) (c) 1. and 2. and (d), (1dm) (hm), and (1dx) (b) (intro.) of the statutes first applies to credits claimed for taxable years beginning on January 1 of the year following the year in which this subsection takes effect, including unused credits carried forward from prior years to taxable years beginning on January 1 of the year in which this subsection takes effect.

(END)